



Earnings Presentation
August 10, 2015



Earnings Presentation For Quarter Ended June 30, 2015



Forward Looking Statements

This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements.

These companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise



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Executive Summary – Q1 FY16

Profit & Loss

- Total Income: **INR 14.8 Billion**, YoY increase of **12%**
- EBIDTA: **INR 1.4 Billion**, YoY increase of **16%**
- PAT: **INR 751 Million**, YoY increase of **53%**
- EPS: **INR 6.0 per share**, YoY increase of **53%**

Balance Sheet June 30, 2015

- Networth: **INR 20.2 Billion**
- Net Debt: **INR 3.2 Billion**
- Net Debt to Equity: **0.16x**
- ROCE: **23%**¹

Performance Outlook

- Profitable growth across all businesses
- LCL consolidation industry has continued to grow, despite fractured recovery in global trade
- Indian logistics industry seeing signs of recovery and growth
- Focus on growth in revenues, profits, ROCE and asset utilization

¹ ROCE Based on Average Capital Employed Excluding Goodwill and annualised EBIT for FY2016 based on Q1 FY2016 results



Chairman's Message



Mr Shashi Kiran Shetty
Chairman & Managing Director

“I am happy to share that we have posted a strong set of numbers this quarter. All our businesses have contributed to growth in revenues and profits. Our profit has grown by 53%, in line with our expectations.

Over the next 2-3 financial years, we plan to leverage our cash flow for the next best opportunity for growth.

We will look at growing our existing businesses as well as evaluate new business opportunities in the Indian and global logistics landscape.”





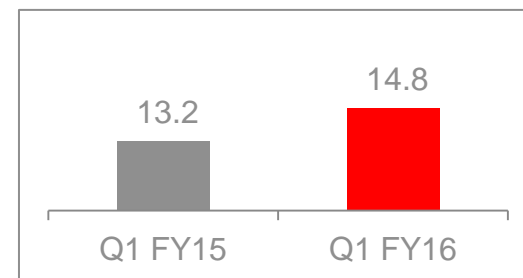
Financial Performance



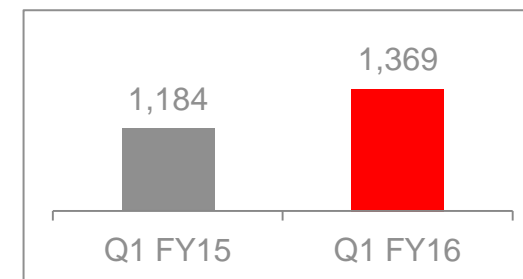
Consolidated Performance Highlights – Q1 FY16

- Total revenue from operations at INR 14.8 Billion as against INR 13.2 Billion for the corresponding previous period – Y-o-Y increase of 12%
 - Growth driven by all businesses – MTO, CFS and P&E
 - 83% of revenue from global MTO business
- EBIDTA at INR 1,369 Million as against INR 1,184 Million for the corresponding previous period – Y-o-Y increase of 16%
- EBIDTA Margin at 9.3% as against 9.0% in the corresponding previous period – Y-o-Y increase of 30 basis points
- PAT at INR 751 Million as against INR 490 Million for the corresponding previous period – Y-o-Y increase of 53%
- EPS at 6.0 - Y-o-Y increase of 53%
- ROCE (without goodwill) at 23%¹

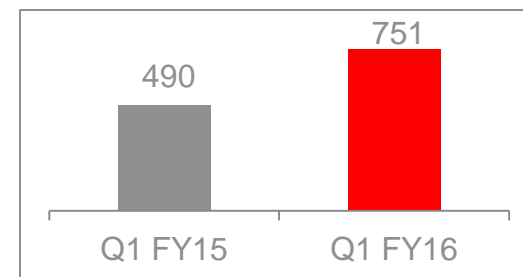
Revenue (INR Bn)



EBITDA (INR Mn)



PAT (INR Mn)



¹ ROCE Based on Average Capital Employed Excluding Goodwill and annualised EBIT for FY2016 based on Q1 FY2016 results



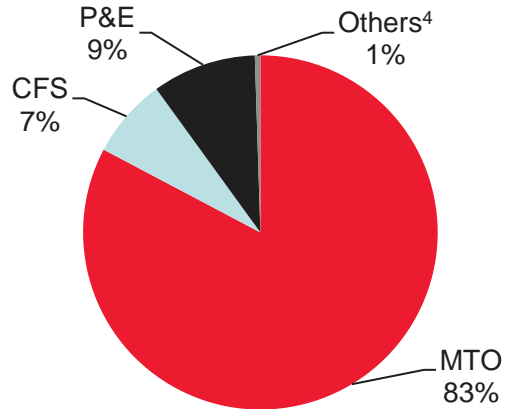
Performance Highlights – Q1 FY16

Consolidated Financial Performance (INR Million)						
Particulars	For the Quarter					Full Year
	Q1 FY16	Q1 FY15	Y-o-Y	Q4 FY15	Q-o-Q	FY15
Income from Operations	14,779	13,209	12%	14,152	4%	56,288
Operating Expenses	10,210	9,157	12%	9,961	3%	39,381
Gross Profit	4,569	4,052	13%	4,191	9%	16,908
Staff Cost	2,258	2,051	10%	2,190	3%	8,566
Other Expenses	893	783	14%	929	(4%)	3,472
Prov. For Doubtful Debts	49	34	47%	12	324%	116
EBIDTA	1,369	1,184	16%	1,060	29%	4,754
Depreciation	362	427	(15%)	384	(6%)	1,574
Other Income	44	80	(45%)	191	(77%)	526
EBIT	1,050	837	25%	866	21%	3,706
Interest	91	164	(45%)	89	2%	535
PBT	960	673	43%	777	23%	3,171
Tax	190	159	19%	222	(14%)	700
PAT after MI and Associates	751	490	53%	555	35%	2,399
<i>EPS (INR)</i>	<i>6.0</i>	<i>3.9</i>	<i>53%</i>	<i>4.4</i>	<i>35%</i>	<i>19.0</i>

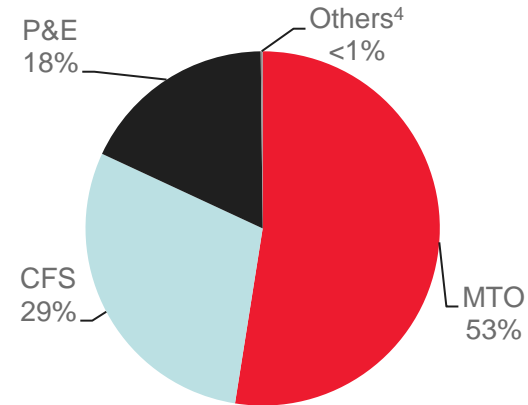


Segment Breakup – Q1 FY16

Revenue¹ - INR 14.8 Billion

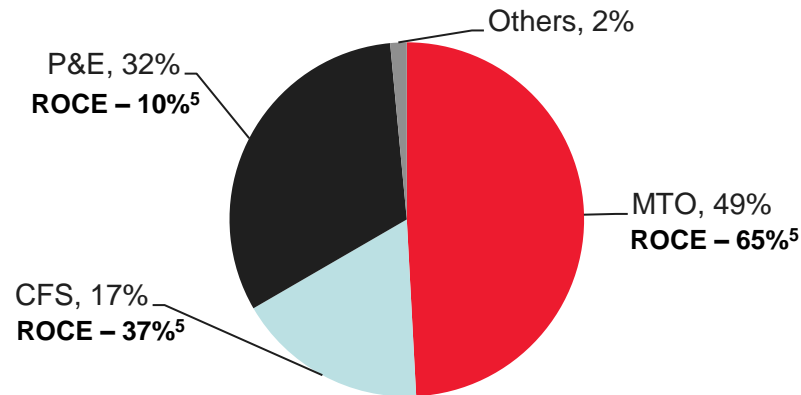


EBIT² - INR 1.1 Billion



Capital Employed³ - INR 27.2 Billion

Consolidated ROCE – 23%⁵



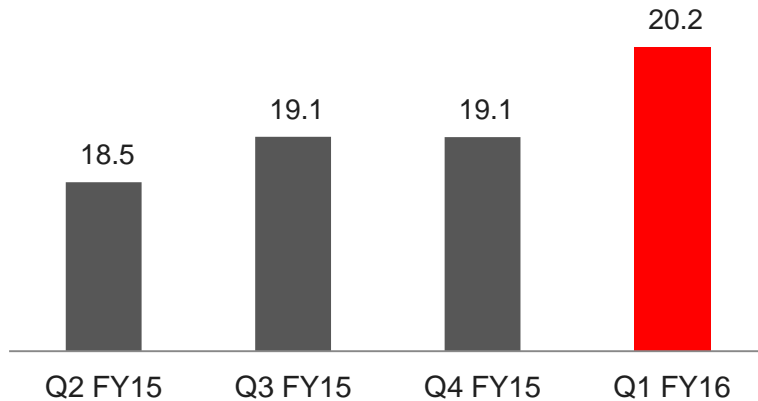
¹ Before inter-segment eliminations, ² Before unallocable expenditure & income, ³ As on 30th June, 2015 and excluding unallocable corporate assets and corporate liabilities, ⁴ Includes mainly 3PL and Corporate, ⁵ ROCE Based on Average Capital Employed Excluding Goodwill and annualised EBIT for FY2016 based on Q1 FY2016 results



Balance Sheet Highlights – as on June 30, 2015

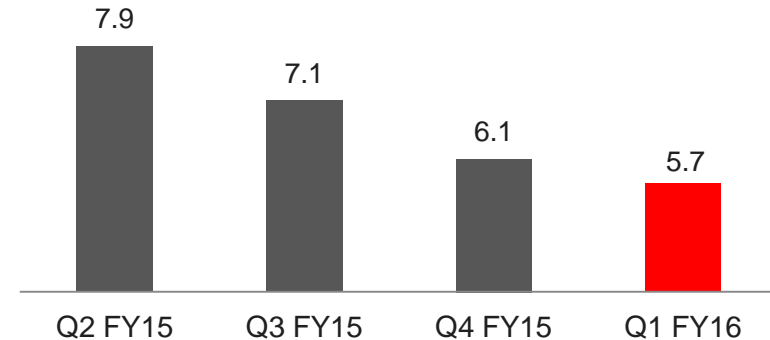
Consolidated Network

INR Billion



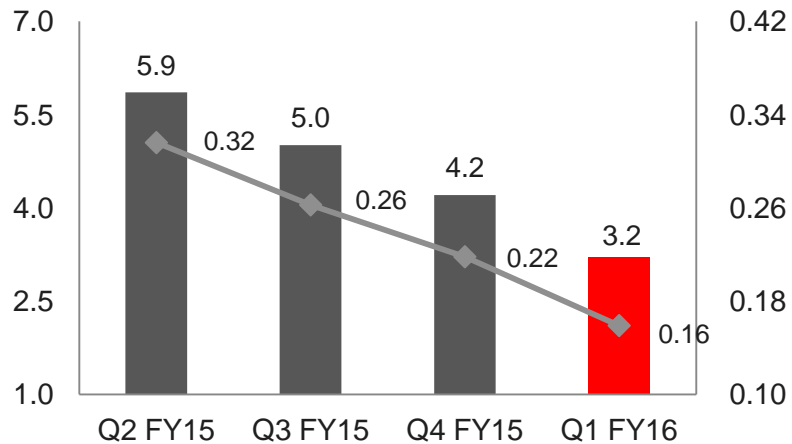
Consolidated Total Debt

INR Billion

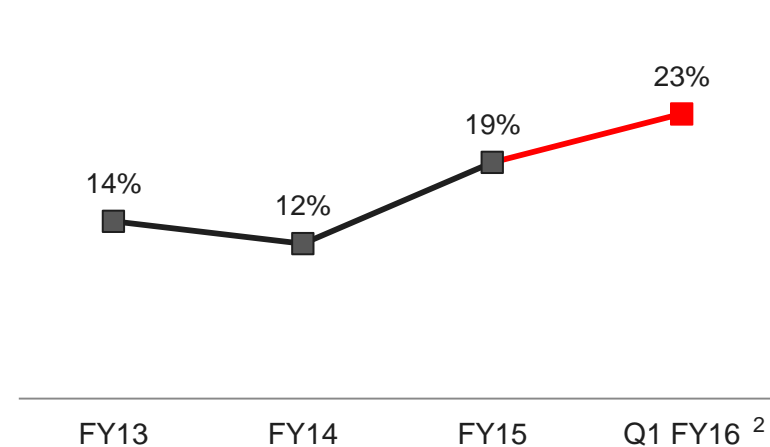


Consolidated Net Debt and Net Debt to Equity

INR Billion



Consolidated Return on Capital Employed¹



¹ ROCE Based on Average Capital Employed Excluding Goodwill ²ROCE Based on Average Capital Employed Excluding Goodwill and annualised EBIT FY2016 basis Q1 FY2016 results



Shareholding Pattern – as on June 30, 2015

Particulars	No. of Shares	% Holding
Promoters	88,134,024	69.9%
Foreign Investors – FIIs, GDRs, NRIs and Others	31,973,271	25.4%
Domestic institutions/ Banks/ Mutual Funds	37,306	0.0%
Indian Public & Others	5,903,161	4.7%
Total - 10,960 Shareholders	126,047,762	100.0%

- Listed on Bombay Stock Exchange & National Stock Exchange
- Constituent of BSE Mid Cap index and CNX Nifty 500 index
- Reputed FIIs – Blackstone, Acacia Partners and New Vernon together hold ~ 24%
- Market Capitalization as on 7th August 2015 – INR 41.2 billion

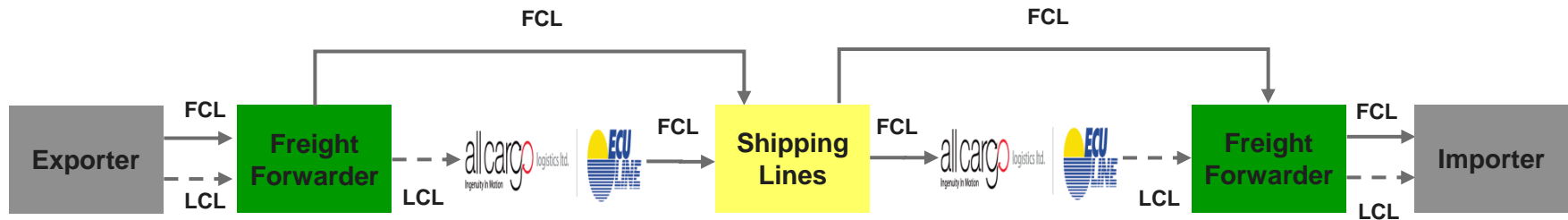




Business Performance



Multimodal Transport Operations



Business Description

- Allcargo receives Less-than-Container-Load (LCL) cargo from various freight-forwarders
- Cargo for each destination is consolidated into containers at bonded warehouses, to be shipped to either final destination or to hub ports from where it is trans-shipped to final destination
- After consolidating the LCL cargo into Full-Container-Load (FCL) consignments, Allcargo forwards the consignments to shipping lines for transportation to the final destination
- Besides LCL consolidation, Allcargo has also forayed into FCL freight-forwarding through acquisition of FCL Marine, a Netherlands based FCL freight-forwarding company

Salient Features

- Asset-light business with high returns on invested capital: **Total capital employed² – INR 385 Cr; more than 40% average Return on Capital Employed (ROCE)³ in last 3 financial years**
- Resilience to global market volatility: Global LCL consolidation industry has grown by 4-5% yearly in last 3 years¹
- Creation of global network is an entry barrier
- Customer diversification inherent to business model due to neutral approach
- Provides opportunity to service select FCL volumes

¹Management Estimates ²Capital Employed Excludes Goodwill as of 30th Jun, 2015 ³ROCE Based on Average Capital Employed Excluding Goodwill



Multimodal Transport Operations

MTO Segment - Consolidated - Business Volume Performance (LCL+FCL - in TEUs) ¹					
For the Quarter					Full Year
Q1 FY16	Q1 FY15	Y-o-Y	Q4 FY15	Q-o-Q	FY15
113,410	101,937	11%	104,128	9%	422,200

- 11% Y-o-Y Increase in Volumes
- Markets of Germany, UK, USA , Australia, Malaysia and China majorly contributed to organic volume increase

MTO Segment - Consolidated - Financial Performance (INR Million) ²						
	For the Quarter					Full Year
Particulars	Q1 FY16	Q1 FY15	Y-o-Y	Q4 FY15	Q-o-Q	FY15
Total Revenue	12,431	11,309	10%	11,828	5%	47,738
EBIT	594	502	18%	222	167%	1,896
EBIT Margin (%)	4.8%	4.4%		1.9%		4.0%

- 10% Y-o-Y increase in revenue
- 18% Y-o-Y Increase in EBIT
- EBIT margin improved to 4.8%

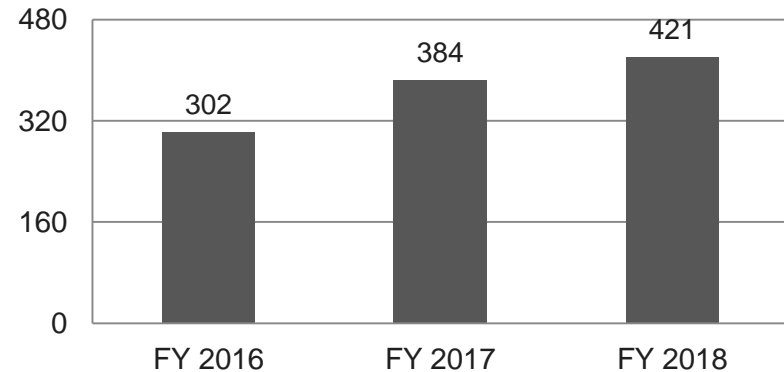
¹TEU – Twenty Equivalent Unit; Volumes include ECU Line & Domestic NVOCC operations, ²MTO consolidated includes ECU Line , Domestic NVOCC operations and HCL



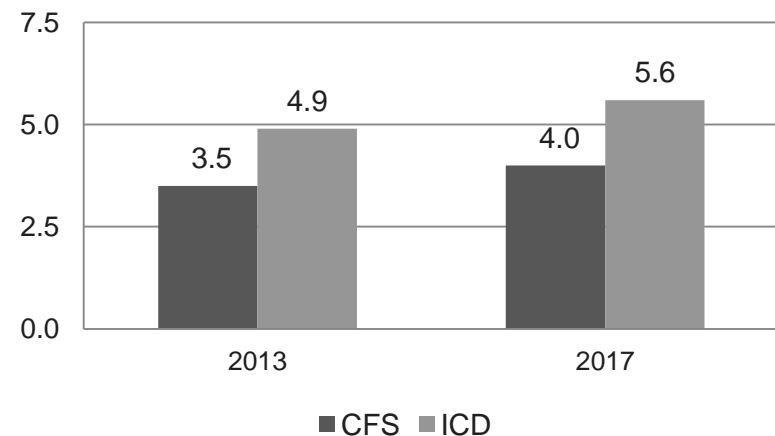
Container Freight Stations

- Container volume in India is expected to be 2x by 2020, driven by EXIM trade and an increase in containerization from the current 55% to >65% (versus developed countries' average of 70%)
- Revival in EXIM trade expected to translate into higher demand for containerization due to their efficiency
- Infrastructural initiatives like Dedicated Freight Corridor and development of multi-model logistics park, to further support growth of cargo containerization
- Several upcoming container terminals planned at both major and non-major ports - to further increase flow of container traffic
- Strong growth expected in CFS container volume with container traffic growing
- CFS / ICD business expected to grow by CAGR 9% in coming years

Projected Indian Container Traffic (Million Tons)



Expected Growth in CFS / ICD Market (Million TEUs)



Container Freight Stations

Total installed capacity of 4 CFSs and 2 ICDs at 30th June, 2015 – **573,000** TEUs / Annum

CFS Segment - Business Volume Performance (in TEUs) ¹					
For the Quarter					Full Year
Q1 FY16	Q1 FY15	Y-o-Y	Q4 FY15	Q-o-Q	FY15
78,727	72,930	8%	72,664	8%	291,579

- 8% Y-o-Y Increase in Volumes
- Growth driven by our presence at JNPT, Mundra and Chennai

CFS Segment - Financial Performance (INR Million)						
	For the Quarter					Full Year
Particulars	Q1 FY16	Q1 FY15	Y-o-Y	Q4 FY15	Q-o-Q	FY15
Total Revenue	1,094	907	21%	1,046	5%	4,025
EBIT	333	244	36%	288	16%	1,090
<i>EBIT Margin (%)</i>	30%	27%		28%		27%

- 21% Y-o-Y Increase in Total Revenue, on account of increase in realizations and value added services
- 36% Y-o-Y Increase in EBIT
- EBIT Margin increased to 30%

¹Includes volumes for all CFS and ICD locations



Project and Engineering Solutions

- Government has announced plans to invest INR 70,000 crores in infrastructure in Budget 2015
- Infrastructure led growth especially in sectors like power, oil & gas, cement and steel – expected to increase demand for specialized transport solutions
- Government plans to take wind energy generation to 60,000 MW in the next 5 years from around 20,000 MW currently. Government also plans to have 100,000 MW of solar power capacity by 2022
- Government plans to set up 5 new Ultra Mega Power Projects, each of 4,000MW
- US\$ 45 Billion is expected to be spent oil & gas sector in India in next few years
- India is the second largest producer of cement in the world with current capacity of around 370 MT - expected to grow to 550 MT by FY20
- Total market value of the Indian steel sector stood at US\$ 57.8 Billion in 2011 and is anticipated to touch US\$ 95.3 Billion by 2016
- Currently metro rails are fully operational in only 2 cities of the 53 Indian cities with a population of more than one Million. Almost all the state capitals are having plans to build metro railways
- Demand for world-class quality supply chains to handle project cargo - expected to increase significantly



Project and Engineering Solutions

Current fleet comprises of close to 1,000 equipments which include cranes, trailers, hydraulic axles, reach stackers, forklifts, prime movers, ships and barges

P&E Segment - Financial Performance (INR Million)						
Particulars	For the Quarter					Full Year
	Q1 FY16	Q1 FY15	Y-o-Y	Q4 FY15	Q-o-Q	FY15
Total Revenue	1,425	1,169	22%	1,545	(8%)	5,304
EBIT	202	78	159%	326	(38%)	745
<i>EBIT Margin (%)</i>	14%	7%		21%		14%

- 22% Y-o-Y Increase in Total Revenue, on account of increase in order execution and asset utilization
- 159% Y-o-Y Increase in EBIT
- EBIT margin increased to 14%, as against 7% in Q1FY15





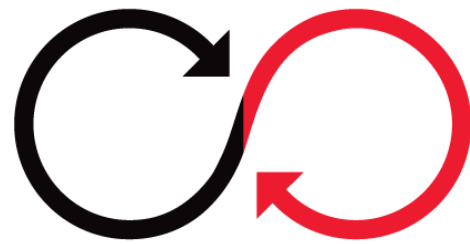
Achievements / Developments



Recent Achievements/ Developments – Q1 FY16

- **Founder & Chairman, Mr. Shashi Kiran Shetty** - awarded an **‘Honorary Doctorate’ by Mangalore University** - for his immense contribution in the field of healthcare to underprivileged in Mangalore through CSR initiatives of Avvashya Foundation
 - This adds another ‘prestigious’ feather to his cap after being conferred with the ‘Distinction of Commander of the Order of Leopold II’ by the Royalty of Belgium early this year in February
- **Expansion of senior leadership team- addition of two industry veterans**
 - **Mr. Prakash Tulsiani as Chief Operating Officer and Executive Director**
 - Responsible for Allcargo’s growth across its business verticals in India - not a member of Board
 - Prior to Allcargo, was Managing Director of Gujarat Pipavav Port. Before Gujarat Pipavav Port, was with A. P. Moller Maersk Group and Gateway Terminals as COO - instrumental in its success from project stage to commercial operations.
 - **Mr. Martin Muller as Chief Commercial & Strategy Officer of the Group**
 - Former consultant of McKinsey & Company
 - Specializes in strategic growth of organizations, with experience across Europe, APAC, Middle East and other regions of the world
 - Enriched experience in logistics industry, having been associated for several years in serving companies like DHL Global Forwarding, Agility Global Integrated Logistics and other major global companies
- NVOCC division honored with the **‘LCL Consolidator of the Year’ award at South East Cargo & Logistics Awards, 2015** for **6th consecutive year** for consistent operational performance in bringing about customer satisfaction and thereby creating positive brand impact





Thank You!

